



Prologis Park Tilburg, Tilburg, the Netherlands.

Dear Fellow Shareholders,

As the world grappled with the second year of the COVID-19 pandemic and significant disruption to the global supply chain, Prologis found new ways to help our customers, employees and communities. As our customers struggled to keep up with demand and build resiliency into their supply chains, we delivered best-in-class service and new solutions to help them compete and grow. We supported our employees with flexible work schedules, health and wellness resources and more. We gave back to our communities through charitable donations from the Prologis Foundation, our Space for Good program and thousands of employee volunteer hours. Above all, we delivered unparalleled value for our investors.

The company continued to deliver value to our customers through our global scale, best-in-class properties, and solutions that extend well beyond the building. We're staying ahead of what's next through investments in green building, renewable energy, innovation and logistics technology. This built-for-the-future approach underscores our team's laser focus on the next generation initiatives that will embed even greater durability into our future earnings.

A Record-Setting Year

Driven by our unique portfolio and business model, 2021 was the strongest year in our company's history. The challenges we faced—and met—during another difficult year for the world at large showcased what differentiates Prologis in the marketplace. Even with space in our markets effectively sold out, we were able to deliver additional space to help alleviate the current supply/demand imbalance.

For our customers, it is critically important to have the right space in the right places. More than ever, location matters. With vacancies at record lows and rising market rents showing no signs of slowing, our 1 billion square foot portfolio is primed to serve our customers' needs. Consumer appetite for e-commerce continues to fuel extreme demand for warehouse space. We signed new leases with more than 250 unique e-commerce customers in 2021, which represents a high-water mark for our business and reinforces our position as the partner of choice.

Through our Research arm using proprietary data, Prologis generates unique reports that give our customers, the financial community and the public real-time insights into our business and industry. In 2021, our research revealed how e-commerce continues to prompt an urgent need for more space as our customers adjust their short-term inventory strategies to ensure resiliency in the long term. Because we expect disruption in global supply chains to persist beyond 2022, we have anchored our future resilience on speed-to-market and flexibility. Above all, we continue to win because of our unique differentiators that underpin our continued growth and success.



Hamid R. Moghadam, Co-Founder, CEO and Chairman, Prologis, Inc.

Unique Growth Drivers

Our Capital Deployment team is the best in the business and is especially adept at finding new and creative ways to expand our portfolio in the world’s most desirable logistics markets. Last year saw a record number of development project starts valued at \$3.6 billion. Roughly half of those starts were pre-leased build-to-suits. We anticipate \$4.5-\$5 billion of starts in 2022.

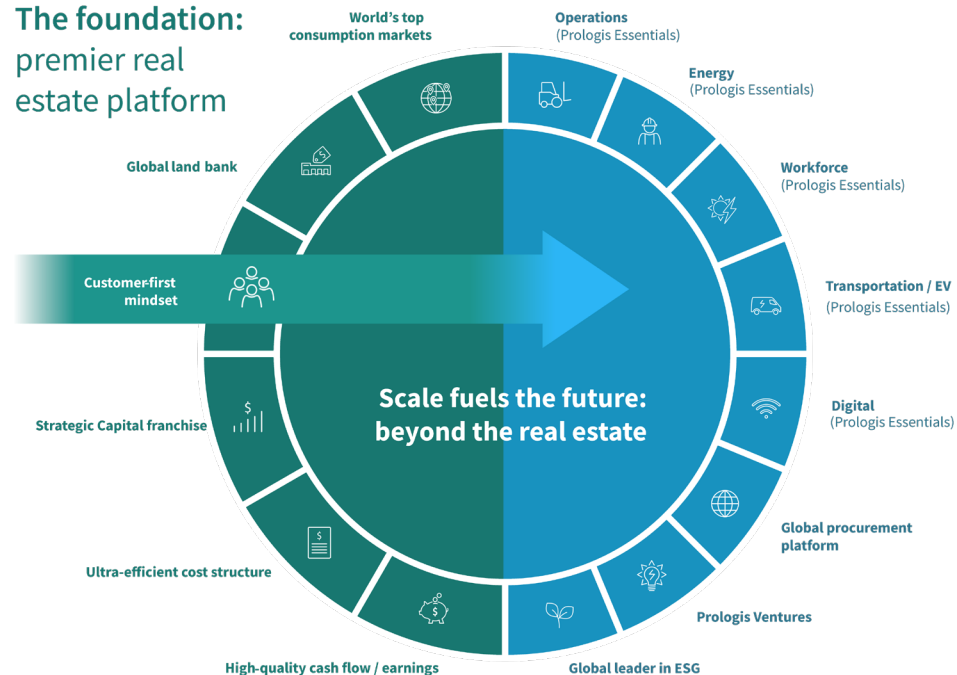
Our irreplaceable land bank gives us enormous control and allows us to pursue scalable opportunities swiftly with a proven strategy for success. If built out immediately, this land bank would be able to support \$26 billion in new starts. Our ongoing investments and creative approaches, such as covered land plays, bring opportunities that will benefit us for years to come.

Our Strategic Capital business is integral to our business model. Strategic Capital has seen incredible demand for our funds, which continue to provide strong returns. In 2021, we brought on new, experienced leadership with the addition of Karsten Kallevig to drive additional growth across this crucial line of our business. In 2022, we anticipate our Strategic Capital revenue, including promotes, will top more than \$1 billion—another milestone.

In 2021, we continued to scale our Prologis Essentials platform so that our customers can focus on what matters most to them: running their businesses. We offer services and solutions that span five core categories designed to meet the needs of today’s logistics customer: operations, workforce, energy, transportation and data/analytics. We’re selling solutions to existing and new customers in buildings we own—and buildings we don’t.

MULTIPLE DIFFERENTIATORS DEFINE ONE GREAT BUSINESS

The foundation:
premier real
estate platform



When we introduced this business in November 2019, we set a target of \$300 million from procurement savings and Essentials revenue. We expect to hit that target in 2022, with more than \$225 million from procurement and \$75 million from Essentials. Our Essentials platform is both a powerful differentiator and a significant revenue source over the long term.

As we look to the future, we know that renewable energy technologies are not an option but rather a business imperative. Susan Uthayakumar joined the company in 2021 in the newly created leadership role of chief energy and sustainability officer. Susan is leading the company’s customer-focused sustainability and energy solutions business. Henrik Holland also joined Prologis to stand up an electric vehicle business to guide our customers as they transition their fleets from fossil fuels to renewable energy.

We are pleased to be the partner of choice for early-stage companies that are innovating across the logistics sector through Prologis Ventures. Established in 2016 and designed to build the future of commerce, to date our Ventures team has invested in more than 30 startups across a broad range of technologies. We focus on companies that address our customers’ most critical pain points in supply chain and transportation, building digitization, infrastructure and more.

Investing in Communities

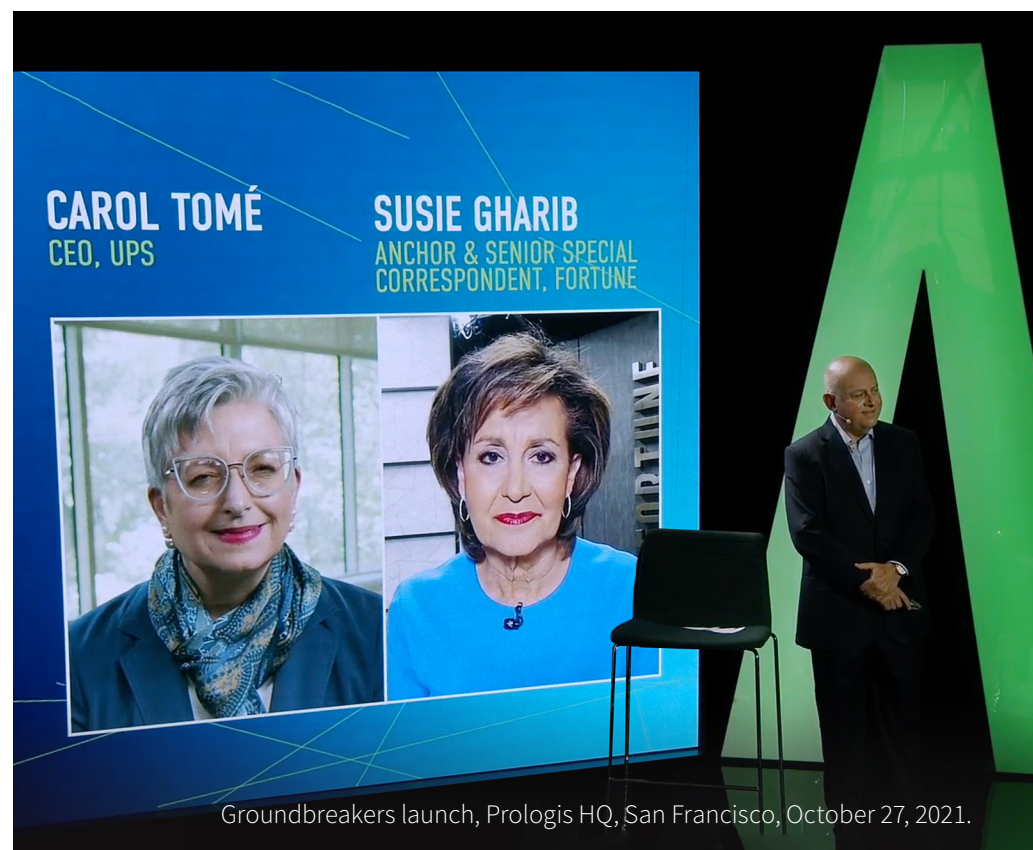
To us, being a good neighbor means going above and beyond to deliver the services and solutions that make a tangible difference in the lives of individuals and in the prosperity of communities. We invest our time and resources in job training, renewable energy, zero-emission vehicles infrastructure and other collaborative efforts that make us the logistics provider of choice. We bring new jobs, new revenue and a greener logistics infrastructure to all the communities in which we live and work.

As an example, we expanded our Prologis Community Workforce Initiative (CWI). Founded in 2018 in direct response to our customers' needs for a steady pipeline of qualified labor, CWI trains people for logistics careers in the U.S. and internationally. CWI has already served 13,000 people and infused economic strength into the communities involved in the program. CWI participants have access to a unique online learning platform and other jobs-related skills. We aim to train 25,000 individuals by 2025 with the skills necessary for fulfilling careers in transportation, distribution and logistics.

We're building a sustainable future today. We made steady progress against our environmental, social and governance goals last year. We also raised the bar and set ambitious new goals, including reaching carbon-neutral construction globally by 2025 and achieving third-party certifications for all new development and redevelopment projects. We continued to work with our customers to create zero- or low-carbon buildings and integrate sustainable features into their facilities.

Breaking New Ground: Thought Leadership in Action

Amid a global supply chain crisis, Prologis hosted Groundbreakers, our inaugural thought leadership forum. In tandem, we launched our Groundbreakers digital magazine. We leveraged our unique role in the industry and supply chain to celebrate the milestones of some of our most groundbreaking customers, portfolio companies and community partners. We focused on the industry players who have risen to meet the challenges of an evolving logistics and supply chain landscape and those who are poised to address the imperatives of the decade ahead. These insights were shared with thousands of people across 77 countries. Topics included the characteristics of enduring leadership, smart transportation, energy and workforce solutions. We hope you'll join us for Groundbreakers 2022.



Groundbreakers launch, Prologis HQ, San Francisco, October 27, 2021.



San Francisco Bay Area team (Fremont) volunteering at Alameda County Food Bank. Event occurred in compliance with local public health requirements.

Culture and Talent: The Bedrock of Our Company

I have long believed you can never have enough talent in your company. After all, people want to be on a winning team. Our employees across the globe have been critical to keeping our business on the leading edge of our industry as we continue to create and deliver value beyond our real estate. We welcomed hundreds of new colleagues to the company last year and, despite the stress and uncertainty of the pandemic, employee engagement was higher than ever. Our employees have told us they feel safe, heard, invigorated and excited to be part of a company that leads with vision and the courage to pivot when needed.

I'd like to acknowledge the upcoming retirement of our Chief Financial Officer Tom Olinger in 2022. Tom has materially contributed to the success of the company over his many years of service. He has been a great partner and a key leader for our company for 15 years.

While Tom will be greatly missed, his successor, Tim Arndt, currently our treasurer, brings tremendous expertise and extensive business experience to the role. He knows the industry and our business very well and has played an important part in setting our financial strategy. This change is the culmination of extensive preparation and is part of Prologis' ongoing leadership succession planning.

Looking Forward

The quality and resilience of our earnings drivers and differentiators set us apart. We continue to drive strong organic growth and aren't dependent upon external growth to achieve the results that keep us ahead of the competition.

Our customers rely on a healthy supply chain and the real estate that underpins it. Our scale and reach put us in the unique position to deliver value to our customers and produce industry-leading returns for our shareholders and investors.

While 2021 was a record-setting year, most of the benefits from the current environment will be realized in the future, providing a clear runway for continued sector-leading growth. I can say with confidence that our best years are still to come.

On behalf of our Prologis team, thank you for your ongoing support and confidence.

Sincerely,

Hamid R. Moghadam
Co-Founder, CEO and Chairman, Prologis, Inc.

Prologis at a Glance

FOUNDED IN 1983



\$215B

Assets under management*

1BSF

On four continents*



850,000

People employed under Prologis roofs*

5,800

Customers*



GLOBAL 100

Most Sustainable Corporations in the World: **13 years**



PLD

NYSE, S&P 500 member, #71*

* Data as of December 31, 2021

OUR GLOBAL ECONOMIC IMPACT



\$2.2T

Is the economic value of goods flowing through our distribution centers each year, representing...



2.5%

of the world's GDP, and...

3.5%

of GDP for the 19 countries where we do business, or...



+15%

of global goods consumption.

PEOPLE AND CULTURE

2K+

Employees in 19 countries



31%

Diverse



50%

Female



86K+

Volunteer hours since 2012

94%

Of employees: **"I am proud to work for this company."**





Prologis Park Hamilton, Toronto, Canada.

Financial Highlights

ASSETS UNDER MANAGEMENT

(in billions)

2021	\$215.10
2020	\$148.30
2019	\$118.40

REVENUE SUMMARY

(in billions)

2021	\$4.76
2020	\$4.44
2019	\$3.33

DEVELOPMENT VALUE CREATION¹

(in millions)

2021	\$1,326
2020	\$942
2019	\$911

CORE FFO

(per diluted share)

2021	\$4.15
2020	\$3.80
2019	\$3.31

DIVIDENDS PER COMMON SHARE

2021	\$2.52
2020	\$2.35
2019	\$2.12

NET INCOME

(in billions)

2021	\$2.93
2020	\$1.47
2019	\$1.57

Please see Prologis' Annual Report on Form 10-K for the year ended December 31, 2021, and our Q4'21 earnings supplemental for additional detail regarding the financial information presented in this annual report and definitions and reconciliations of non-GAAP measurements, such as Core FFO.

1. Prologis' share of estimated value creation from development stabilizations

Senior Leaders

Hamid R. Moghadam

Co-Founder, Chief Executive Officer
and Chairman of the Board of Directors

[Click to read bio](#)

Thomas S. Olinger

Chief Financial Officer

[Click to read bio](#)

Edward S. Nekritz

Chief Legal Officer and
General Counsel

[Click to read bio](#)

Eugene F. Reilly

Chief Investment Officer

[Click to read bio](#)

Colleen McKeown

Chief Human Resources
Officer

[Click to read bio](#)

Gary E. Anderson

Chief Operating Officer

[Click to read bio](#)

Michael S. Curless

Chief Customer Officer

[Click to read bio](#)



Board of Directors

Hamid R. Moghadam

Chairman of the Board
of Directors and Chief
Executive Officer

[Click to read bio](#)

Cristina G. Bita

Vice President of
Finance, Google

[Click to read bio](#)

George L. Fotiades

President and Chief Executive
Officer, Cantel Medical Corp.

[Click to read bio](#)

Lydia H. Kennard

Principal, Airport Property
Ventures, LLC; Founder and
Chief Executive Officer, KDG
Construction Consulting

[Click to read bio](#)

Irving F. Lyons III

Principal, Lyons Asset
Management

[Click to read bio](#)

Avid Modjtabai

Former Senior Executive
Vice President, Payments,
Virtual Solutions and
Innovation, Wells Fargo

[Click to read bio](#)

David P. O'Connor

Managing Partner, High Rise
Capital Partners, LLC

[Click to read bio](#)

Olivier Piani

Chief Executive Officer and
Founder of OP Conseils;
Senior Consultant, Ardian

[Click to read bio](#)

Jeffrey L. Skelton

Former Managing Partner,
Resultant Capital Partners

[Click to read bio](#)

Carl B. Webb

Senior Partner, Ford
Management, LP

[Click to read bio](#)

William D. Zollars

Former Chairman, President
and Chief Executive Officer,
YRC Worldwide Inc.

[Click to read bio](#)